

Habitat for Humanity of Orange County
Purefoy Drive Subdivision
Statement of Justification for Special Use

FINDING #1

“That the use or development is located, designed, and proposed to be operated so as to maintain or promote the public health, safety, and general welfare”

This subdivision will provide homes for up to 52 families who live and/or work in Orange County, are currently living in substandard housing, and could not otherwise afford to own a home in Chapel Hill. These homes will be affordable to households who earn below 80% of the area median income. In order to achieve a greater diversity of income, Habitat for Humanity plans to approach other non-profit housing providers such as Orange Community Housing and Land Trust and/or Empowerment, both of whom serve a slightly higher range of incomes than Habitat does, about collaborating on the marketing and sale of the units.

This subdivision, which is located in the Rogers Road community, will further extend sanitary sewer from its current terminus in Rusch Hollow, a subdivision of twelve affordable single-family homes developed by Habitat for Humanity. The extension of the sewer by Habitat to serve the Rusch Hollow development allowed four long-time residents of the Rogers Road community to abandon their old and in some cases failing septic systems and hook on to sanitary sewer. The extension of sewer to serve the Purefoy Drive subdivision will make sanitary sewer available to additional residences on Purefoy Drive, as well as bring it closer to the area within the Greene Tract that has been reserved for affordable housing development. The extension of sanitary sewer proposed in this project will both serve current low-income residents of the community and result in many more opportunities for quality, affordable housing in Chapel Hill.

This affordable housing development is located in a very desirable area of Chapel Hill. Seawell Elementary School, Smith Middle School and Chapel Hill High School are all located less than one mile from this development. The site enjoys easy access to many areas of Chapel Hill and Carrboro including major employment centers such as the university. The thoroughfares close to this project experience less traffic than some of the other thoroughfares in Town. Habitat for Humanity has historically had a very high demand for homes in this location, particularly from applicants who work in Chapel Hill-Carrboro and would like to live close to their employment. This project will provide those future homeowners with a safe, decent, well-built home of their own that is also convenient to their place of work.

Habitat for Humanity of Orange County has a reputation for building quality affordable homes. Habitat will start construction on its 150th home in Orange County this fall. Habitat for Humanity serves households with incomes at or

below fifty percent of the area median who live and/or work in Orange County and who currently live in substandard housing. Many of the clients that Habitat for Humanity serves are tenants of Chapel Hill Public Housing, or have Section 8 housing vouchers. By serving these households, Habitat for Humanity offers a way for tenants receiving public subsidy to move into homeownership, and also allows more of those waiting for public housing or section 8 vouchers to be served.

FINDING #2

“That the use or development complies with all required regulations and standards of this Chapter, including all applicable provisions of Articles 3 and 5, the applicable specific standards contained in the Supplemental Use Regulations (Article 6), and with all other applicable regulations”

The proposed subdivision will comply with the required regulations and standards of this Chapter, including all applicable provisions of Articles 3 and 5 and the applicable specific standards contained in the Supplemental Use Regulations (Article 6), and with all other applicable regulations.

FINDING #3

“That the use or development is located, designed, and proposed to be operated so as to maintain or enhance the value of contiguous property, or that the use or development is a public necessity”.

This development will have a positive impact on contiguous properties and on the surrounding Rogers Road neighborhood. The project has already had a positive impact on the neighborhood as Habitat for Humanity has demolished and removed two abandoned trailers and cleaned up trash and debris on the site.

The single family, detached homes that Habitat for Humanity will build on the site will be attractive in design and will blend in well with the surrounding residences. To further enhance the values of contiguous properties, Habitat for Humanity staff and volunteers are continuing to update our existing housing designs and landscaping improvements with the intent of improving the street appeal of our homes and their compatibility with the surrounding neighborhood.

The appraised values of recently built Habitat for Humanity homes in the Rogers Road community are generally higher than the current tax value of adjacent and nearby homes. Two homes were recently constructed by Habitat for Humanity in the Rogers Road community, one on Purefoy Drive and one on Rusch Road. The four bedroom home on Purefoy Drive appraised at \$150,000 and the three bedroom home on Rusch

Road at \$125,000. During 2004-2005, Habitat built and sold twelve single family homes in the Rusch Hollow subdivision off of Rogers Road. The appraised values of those homes averaged \$110,000 for a two bedroom home, \$135,000 for a three bedroom, and \$145,500 for a four bedroom home.

The current tax value of homes that are contiguous and nearby to the proposed development range from \$155,879 to \$74,266. (Some of these homes have larger acreage and thus a higher land value.) Based on this data, the homes that Habitat builds and sells to qualified homeowners will be of equal or greater market value than other nearby and contiguous properties.

The process by which Habitat for Humanity homes are built naturally creates the foundation for solid relationships and community spirit. Prospective Habitat homeowners must first help build other Habitat homes before they can own their own home. They are involved with the construction of their own home, which creates pride in the home and commitment to their neighborhood. By participating in the construction of their homes and attending classes in home maintenance and repair, and training in running an effective homeowners' association, Habitat homeowners are also better prepared to maintain their homes and their neighborhoods over the long term.

While Habitat provides in-depth training and mentoring to its homeowners, a fundamental part of its mission is to provide ownership to those whom it serves. As such, these owners will have the same responsibilities as any other home-owning member of the community and they will be responsible for maintaining their homes and their neighborhood. Habitat provides mentoring to individual homeowners as well as to Homeowners' Associations created in the subdivisions we develop. Additionally, Habitat, as mortgage holder on each property, has certain powers to protect its investment in these homes. Habitat also budgets funds each year for a zero interest revolving loan fund to assist homeowners with emergency repairs. Additionally, Habitat designs the exterior finishes of its homes to be as low maintenance as possible, through the use of vinyl siding and masonry and concrete porches and 20 year roofs.

All anticipated common costs of the subdivision will be carefully determined by Habitat for Humanity and budgeted into the structure of the HOA in the form of HOA dues. Dues will be collected and escrowed by Habitat (as are taxes and insurance) as a part of the monthly mortgage payment. Failure to pay HOA dues will be a condition of default on the mortgages.

This project will also enhance the value of contiguous properties by the extension of a public sanitary sewer line from its current terminus in Habitat's Rusch Hollow subdivision, making sanitary sewer available to additional residents of the Rogers Road community. As a result of the extension of sanitary sewer from Jubilee Drive to the Rusch Hollow subdivision, four residents of the Rogers Road community have been connected to sanitary sewer, two of them at Habitat's expense, and two who were able to take advantage of the Town's funding to connect low- income households. This public sanitary sewer line will follow the route selected by the Greene Tract Committee

and Orange County as the preferred route for a sewer main to service the proposed future Greene Tract affordable housing component.

FINDING #4

“That the use or development conforms with the general plans for the physical development of the Town as embodied in this chapter and in the Comprehensive Plan”.

The Goal of the Comprehensive Plan on Housing is to “increase the availability of well-designed, affordable, safe, and sanitary housing for all citizens of Chapel Hill”. The Objectives of this section of the Comprehensive Plan include ‘Housing Availability’, ‘Housing Quality’, and ‘Housing Variety’. This project will clearly further the overall goal as well as the objectives as outline below:

Housing Availability: *Increase the availability of quality housing affordable to all citizens who live and work in Chapel Hill.*

- This project will add up to 52 single-family homes. All of the units will be affordable for 99 years to households earning at or below 80% of the area median income. All will be built to Habitat’s high standards of quality and energy efficiency
- This project will further extend sanitary sewer in the Rogers Road community and make sewer easily accessible to the portion of the Greene Tract (approximately 18 acres) that has been designated for affordable housing. The extension of the sewer is a key aspect of developing a significant number of affordable homes on the Greene Tract. While no specific plans have been developed for the affordable

homes on the Greene Tract, it is reasonable to assume that the homes will provide a range of housing options for the many citizens who live and/or work in Chapel Hill and Orange County, and who need assistance in securing safe, decent, affordable housing.

Housing Quality: *Require all housing developments to meet applicable local, state and federal standards and guidelines, including design quality, safety, health, and energy efficiency.*

- HHOC will comply with all applicable local, state and federal standards and guidelines in the construction of its homes.
- The single-family homes that HHOC will construct in the proposed project will be included in the Systems Vision Program that HHOC currently participates in through the N.C. Housing Finance Agency and Advance Energy. Under this program, HHOC constructs its homes according to the System Vision requirements for energy efficiency. HHOC construction staff and its HVAC and insulating subcontractors have all attended required trainings on the specifications, standards and techniques required by the Program. Advance Energy staff conducts a final inspection of the homes and provides certification that the homes comply with the Systems Vision requirements. Once certification is obtained, the heating and cooling costs for the homebuyer are guaranteed at a rate determined by the program.
- HHOC incorporates universal design features in all of its homes, including the option of a step less entryway for all of our homes. We will build fully accessible homes adapted for the particular needs of any household with special needs. HHOC received an award for excellence from the NC Employment Network of the NC Division of Vocational Rehabilitation Services for our collaborative effort with the Center for Universal Design whom we worked with on a joint project to adopt elements of Universal Design in all our homes.
- Another feature of HHOC homes are overhead sprinkler systems that have been installed free of charge by the Chapel Hill Fire Department as a community service project. This added level of safety in HHOC's homes is a feature that is rarely offered in much more expensive market rate homes
- Input from HHOC's homeowners over the years has resulted in ongoing revisions to house designs to produce low cost homes that nevertheless maximize functionality and minimize maintenance costs. HHOC Board and staff are in the process of researching ways to enhance the appearance of our homes. Changes to the exterior design will include varying rooflines and trim details, as well as improvements in landscaping.

Housing Variety: *Establish policies, regulations, incentives and programs to promote the availability of a full range of housing types, densities, costs and tenancy options in Chapel Hill, both within new developments and existing neighborhoods.*

- The project will contribute to a mix of housing in the Rogers Road community, which is already a fairly diverse community. The Rogers Road community is comprised of a mix of mobile homes, recently constructed HHOC single-family homes, a number of modest older single-family homes, and a range of more expensive single-family homes that are part of newer subdivisions that have been built off of Rogers Road. Incomes in the community range from very low (below 25%) to upper income. HHOC homebuyers have incomes in the 30-50% range. By partnering with other affordable housing non-profits, HHOC plans to also market homes to homebuyers in the 50%-80% of median income range.
- Care will be given to the siting of the homes on lots and to the exterior appearance of the homes to ensure compatibility with surrounding homes. Attention will also be given to a landscaping plan that further enhances the compatibility and attractiveness of this new development.

In outlining strategies and actions to increase the supply of affordable housing in Chapel Hill Section 7A of the Comprehensive Plan States: *“the provision of housing at a cost affordable to all of Chapel Hill’s residents is a major priority for the Town.”*

- **Strategy 7A-1** states that *“the Town will need to work with public agencies, private enterprises, and non-profit organizations to create housing opportunities for households of all income levels.”* This project has already received approval from the Town of Chapel Hill and Orange County to receive Community Development Block Grant funds, Orange County Affordable Housing Bond Program funds, and HOME funding to help cover the costs of purchasing the land, designing the project, and building the infrastructure. HHOC will leverage those public funds with its own private fundraising initiatives to create housing opportunities for a wide range of income levels, including those below 50% of median income.
- **Strategy 7A-1** also states that *“affordable housing initiatives should address the need to assist residents of publicly assisted housing in making the permanent housing and self-sufficiency.”*⁷⁶ HHOC has actively recruited public housing residents as applicants, and has successfully worked with public housing residents to overcome the barriers to homeownership. HHOC will continue its efforts to move families out of public housing and into homes of their own in this proposed new affordable housing development.